

the defendant McCann had forfeited all his rights under a certain agreement made between him and the plaintiffs on the 6th January, 1914, and that his co-defendant Pearson, claiming under an assignment from McCann dated the 9th May, 1914, and duly registered, acquired no interest in the lands mentioned in the agreement. Under the agreement, the plaintiffs and McCann were each to have an equal one-fourth interest in certain lands. The representation made to the plaintiffs Mills and Thompson was, that the plaintiff Keyser was buying the lands for \$20,000, when in fact the price was but \$15,000. Each of the four was to pay \$2,250, making in all \$9,000, and join in a mortgage to the vendors, the Parents, for \$11,000. Mills and Thompson paid their shares. Keyser and McCann paid nothing. McCann pretended to Mills and Thompson that he had paid \$500 at the time, in December, when Mills and Thompson paid each \$500; and McCann handed Keyser—as trustee for all four—a cheque for \$1,750, when Mills and Thompson each paid Keyser \$1,750. But McCann had his cheque returned to him as prearranged with Keyser; and both Mills and Thompson thought that Keyser, like McCann, had contributed the \$2,250 which each had agreed to pay. In fact, there was no need at the time for any money beyond what was contributed by Mills and Thompson. When these plaintiffs discovered the fraud that had been practised upon them, they demanded that Keyser and McCann should each pay \$2,250. Keyser complied with the demand; McCann did not. On the very day when the demand was most urgently pressed upon McCann, the defendant Pearson obtained from McCann an assignment of McCann's interest in the agreement. McCann made no defence to this action. Pearson set up that, as a purchaser for value without notice of any fraud, he was entitled to the one-quarter interest which McCann appeared to hold in the lands purchased from the Parents. LATCHFORD, J., who tried the action at Sandwich, without a jury, said that he doubted that Pearson was a purchaser for value in good faith. McCann had, Pearson said, defrauded him of \$3,000 or \$4,000. Pearson, discovering the fraud, insisted that McCann should convey to him all his interests in Ontario. Pearson said, in effect, that McCann had to abscond or go to gaol. It was, the learned Judge thought, under threat of prosecution that the conveyance was executed. No money was paid—no inquiry was made. Pearson knew that he was dealing with a dishonest man. The agreement of the 6th January was not at the time registered. It was never registered until registered by Pearson on the 18th May, after McCann had absconded from Canada. But